

A Work Project, presented as part of the requirements for the Award of a Masters Degree in Management from the NOVA – School of Business and Economics.

The impact of event sponsorship on children's brand image and purchase intentions: the mediator effects of product involvement and brand familiarity

Isabel Pereira Vieira Simões, 868

A Project carried out on the Children Consumer Behaviour Field Lab, under the supervision of:
Professor Luísa Agante

January 2013

Index

Abstract	3
Introduction	4
Literature Review and Research Hypotheses	5
Sponsorship.....	5
Stages of Cognitive and Social Development.....	6
Brand Familiarity	6
Product involvement	8
Age.....	10
Understanding of sponsorship source and persuasive intent	10
Methodology.....	12
Legal and Ethical Issues	12
Sample	12
Research Design	13
Procedure	15
Measures	16
Results.....	18
Brand Image Transference and Purchase Intention	18
Brand Familiarity.....	19
Product Involvement.....	20
Age.....	21
Understanding of sponsorship source and persuasive intent	22
Discussion and Implications	22
Brand Familiarity.....	23
Product involvement	24
Age.....	25
Understanding of sponsorship source and persuasive intent	26
Limitations and Future Research	27
References.....	28

The impact of event sponsorship on children's brand image and purchase intentions: the mediator effects of product involvement and brand familiarity

Abstract

The objective of this study is to understand the influence of event sponsorship on children and their capability to fully understand its persuasive intent. Despite the wide range of studies on the effects of sponsorship on adults, our research aims at studying its effects on a new target, children between 7 and 11 years old. We analyzed effects on the sponsor's brand image and on the purchase intentions, and studied the mediator effects of product involvement and brand familiarity. A structured questionnaire was completed by a sample of 334 children on the defined age range. Findings suggest that sponsorship can influence children's image of the advertised brand and their purchase intentions, especially in the case of non-familiar brands. Moreover results show that the majority of children do not recognize sponsorship's persuasive intent, and therefore our research has important managerial contributions as well as recommendations for legislators.

Keywords: Events, Sponsorship, Children, Product Involvement, Brand Familiarity

Introduction

Sponsorship is a global phenomenon in today's world, in fact, nowadays, 'it is almost impossible to find a public event that is not sponsored in some way' (Kover, 2001: 5). Even under the current economic uncertainty, companies around the world have been increasing their spending on sponsorship activities as part of their marketing expenditures (IEG, 2012). One of their main objectives is, besides the increase in brand awareness, to enhance the image of specific brands as research supports that an image transference will occur from the sponsored event to the sponsor's brand when they are linked through sponsorship (Drengner et al., 2011; Gwinner, 1997; Gwinner and Eaton, 1999; Keller, 1993; Pope et al., 2009; Smith, 2004). Despite this, limited research has explained how this transference of image effectively works and how it is influenced. The aim of this research is, in this way, to understand the impact of two mediators, product involvement and brand familiarity, in the shape of perceptions on the sponsor's brand image and its effect on purchase intentions. Moreover this lack of research is even more prominent when children are considered. The vulnerability of this segment and their difficulty in assessing the commercial messages critically increases the urgency to extend the research within this target and understand the potential effects of sponsorship, especially when considering the promotion of unhealthy products, like fast-food, tobacco or alcohol that could hinder the child's well-being (Kelly et al., 2011). In this way this research also seeks to evaluate the ethicality of sponsorship activities directed at this target by measuring their ability to perceive sponsorship as an advertising technique and their recognition of its persuasive intent. With these results we wish to contribute to an increase in the knowledge of the design of ethical and age appropriate sponsorship advertising.

Literature Review and Research Hypotheses

Sponsorship

One of the sponsorship definitions most commonly used in past studies was proposed by Meenaghan (1983: 9) as ‘the provision of assistance, either financial or in-kind, to an activity by a commercial organization for the purpose of achieving commercial objectives’. Even under the current economic uncertainty, companies all around the world are still increasing their investments in this promotional technique. In fact, global spending on sponsorship has increased 5.1 percent to \$48.6 billion in 2011 and is expected to continue this upward tendency, with spending on sponsorship in North America even growing more than spending on traditional advertising (IEG, 2012). This increase in investment clearly shows the importance that this practice has in companies’ marketing strategy. In fact several advantages to its use have been identified, namely the increase of brand awareness, the establishment, strengthen or re-position of brand image, the increase in profit, the improvement of goodwill and corporate reputation and the enhancement of employee motivation (Cornwell and Maignan, 1998; Dolphin, 2003; Rowley and Williams, 2008). Some of the most common types of sponsorship activities are related to sports and arts events (Rowley and Williams, 2008). Sports sponsorship, in particular, is the most popular event-related sponsorship, expecting to account to 69 percent of all sponsorship spending in 2012 in North America (IEG, 2012), and for this reason it is also the most studied in sponsorship literature. In relation to the sponsorship of arts, music and leisure events, some authors suggest that the association of a brand with popular entertainment events transmits ‘coolness’ to the brand and at the same time it increases the realism of the entertainment setting (Hackley and Tiwsakul, 2006), while others state that they act as a way to embed brands in cultures and identities (Rowley and Williams, 2008). However, despite the importance

of this type of sponsorship, there is still little research on entertainment marketing and the effects of sponsorship on music events (Rowley and Williams, 2008). This research seeks, in this way, to contribute to the literature on sponsorship in entertainment events and understand its effects on consumer response to a sponsoring brand.

Stages of Cognitive and Social Development

This research targets children from 7 to 11 years old, from Piaget's concrete operational stage, since in this phase children are already able to consider several dimensions of an environmental stimulus at the same time and process thought on a relatively abstract way (Piaget and Inhelder, 1972). Moreover, according to Valkenburg and Cantor (2001), it is also in this age that children become more concerned about the opinion of their peers and start paying more attention to quality and detail, increasing their ability to evaluate and compare products and information. These ages also represent the cued processors segment defined by Roedder (1981) who highlights that in this segment children are already able to use a variety of processing strategies for information storage and retrieval, but do not do so spontaneously and need to be aided by explicit cues. Finally, according to another segmentation framework from the author John (1999), this age segment is represented by children on the analytical stage who have, at this age, a higher understanding of the marketplace and about concepts such as advertising and brands as well as a more thoughtful and adaptive decision making strategy.

Brand Familiarity

Brand familiarity, defined by Alba and Hutchinson (1987: 411) as 'the number of product related experiences that have been accumulated by the consumer', is expected to play an important role in the effectiveness of the sponsorship image transfer (Carrillat et al., 2005). One way to understand this effect is by looking at the schema theory. A schema is traditionally defined as 'an organized collection of beliefs and feelings

represented in a cognitive category' (Solomon et al., 2006: 654), and as more knowledge about the brand is acquired, the 'stronger' the schema becomes (Lord et al., 1979), or in other words, the familiarity of the brand increases. According to Keller (1993), the schema of a brand is defined by product-related attributes but also by non-product related attributes, such as the brand's associations. Since sponsorship is characterized by an association between the brand and the sponsored property (Musante, 2006), we can infer that information from the sponsorship will be included in the development of the consumer's schema for that brand. In the case of a brand with low familiarity, its schema would be more susceptible to change with new information stimuli, like a sponsorship announcement, whereas for a high familiar brand the new information would be less effective since its schema is already strongly developed (Musante, 2006). Moreover, in the case that the new information is incongruent with existing knowledge of the brand, previous authors refer that for consumers with strong product schemas, the new information will be 'distorted and discounted' in order to not disturb the existing schema (Crocker et al., 1984). Furthermore, other authors state that consumers are likely to engage in more extensive processing for less familiar brands since they have more cognitive resources available to process new information due to the less cognitive capacity being utilized in processing the existing information already associated with that brand (Carrillat et al., 2005). Besides this, consumer's cognitive structures for familiar brands are more rigid than for less familiar brands (Carrillat et al., 2005), so it is expected that associations between the event and the sponsor will have a higher influence in the case of less familiar brands. Despite the existence of opposite arguments in the sponsorship literature (e.g. Pentecost and Spence, 2009), who defend that the more knowledge a consumer has about a brand, the stronger the perceptual links

in his memory and consequently the greater the information transference, we, for the purpose of this study, chose to follow the former perspective due to its higher incidence and precision. Therefore we hypothesize:

H1a: Brand image transference from sponsorship will be higher when the sponsor is a less familiar brand.

Concerning the influence of the sponsor's brand familiarity in purchase intentions, a previous study by Carrillat et al. (2005) identified that in the presence of a high familiar brand, purchase intentions were not significantly different whether there was an association with an event or not. On the other hand the same study also found that in the presence of a sponsorship with a low familiar brand, a significant effect on the purchase intentions was verified. Therefore, by generalizing these results to children within the target age group we predict that:

H1b: Purchase intentions will be more affected by sponsorship when the sponsor is a less familiar brand.

Product involvement

Previous literature has defined product involvement as 'a person's perceived relevance of the object based on their inherent needs, values, and interests' (Solomon et al., 2006: 105). Among research on sponsorship literature is the Elaboration Likelihood Model (ELM) of attitude change (Petty et al, 1983). The basic premise of this model is that persuasion can occur along two routes, the central route where attitude change towards a product is based on a 'diligent consideration of information that a person feels is central to the true merits of an issue or product' (Petty et al, 1983: 144), and a peripheral route, which suggests that attitude change occurs because of the association of the object with positive or negative cues, such as pleasant images or famous endorsers. These cues may

lead to attitude changes towards a product without the need to extensively consider arguments about the product itself. In this way, due to the indirect nature of sponsorship as a promotional technique, acting, at best, as a ‘secondary concern behind the actual event’ (Gwinner, 1997: 154), and its usual lack of available information about the product itself besides the brand’s name and/or logo, makes us believe that it operates along the peripheral route of the ELM model (Gwinner, 1997). According to Petty et al. (1983), since a high involvement product increases one’s concern for the true characteristics of the product, a promotional technique that motivates product-relevant thought, or in other words one that operates via the central route, would have a greater impact under these products. In the same way, the opposite would also be expected, as a technique that operates via the peripheral route like sponsorship, which allows product evaluation without engaging in an extensive product-relevant thinking, should have a greater impact under low rather than high involvement products (Petty et al, 1983). In addition it was also suggested by Gwinner (1997) that sponsorship promotions would be more effective in shaping consumer’s attitudes towards a sponsor’s brand under low involvement goods rather than high involvement ones. Therefore, we predict that:

H2a: Brand image transference from sponsorship will be higher when the sponsor is a low involvement product.

Following Gwinner’s results on the influence of the level of involvement of the sponsor’s product on the impact of sponsorship on brand attitudes (Gwinner, 1997) and taking into account that attitude towards a brand positively and directly influences purchase intentions (Goldsmith et al., 2000), we hypothesize that:

H2b: Purchase intentions will be more affected by sponsorship when the sponsor is a low involvement product.

Age

Very few researchers have studied the effects of sponsorship on children's brand perceptions. However, in the few studies available there seems to be a consensus regarding the higher influence of this technique on younger children (Hastings et al., 2006; Kelly et al., 2011) when compared to older children. Kelly et al. (2011) actually found that younger children were significantly more likely to believe that sponsors were 'cool' and to buy or ask for these products when compared to older children. A higher percentage of younger children also admitted that they liked to 'return the favor to sponsors by buying their products' (Kelly et al., 2011: 4), suggesting that younger children may have more difficulty in recognizing the commercial intent of sponsorship and in this way be more vulnerable to its effects. According to this we predict that:

H3a: Brand image transference from sponsorship will be higher when younger children are considered.

H3b: Purchase intentions will be more affected by sponsorship when younger children are considered.

Understanding of sponsorship source and persuasive intent

As it was previously stated, children are more vulnerable to advertising messages than adults due to their less developed cognitive abilities (John, 1999; Kelly et al., 2011). In this way, in order to prevent commercial entities from taking advantage of this weakness and protect children from the potential negative effects that may incur from this promotional technique, it is important to evaluate the ethicality of sponsorship activities considering different ages of the target market. To accomplish this, this research is going to measure the ability of children to perceive sponsorship as an advertising technique and their understanding of its persuasive intent. Due to the lack of research on children's understanding of sponsorship, it was decided that, for the purpose

of designing our hypotheses, we were going to analyze the findings of previous research on television advertising. Young (1990) has stated that for a child to understand advertising, they must first recognize that there is a source deliberately creating that advertisement and then acknowledge that that source's objective is to persuade the audience to purchase a certain object (Robertson and Rossiter, 1974; Young, 1990). In relation to the identification of the advertisement source, past research on television advertising seems to agree that the majority of children around the age of 5 are already able to differentiate commercials from regular television programming (Butter et al., 1981; John, 1999; Moses and Baldwin, 2005) and that this ability improves with age (Butter et al., 1981; Levin et al., 1982; Oates et al., 2003; Stephens and Stutts, 1982). Moreover Ward et al. (1977) also state that age has a positive impact on the awareness of the different advertising sources. Furthermore, according to Oates et al. (2003), children around 8 years old start to recognize the product makers as the source of television advertisements and this ability also increases with age. Despite the fact that there has not been any research that indicates when children are able to detect a presence of a brand cue as an advertising source in an event sponsorship situation, we still expect that the same effects found on television advertising regarding the positive influence of age will be verified. Therefore we hypothesize:

H4a: Older children will perceive better the presence of a brand as a source of sponsorship activities than younger children.

Regarding the understanding of the persuasive intent of television advertising, previous research states that this ability usually emerges around the age of 7 to 8 years old (John, 1999; Oates et al., 2001). Even though some authors found that some children as old as 10 years old were still not able to recognize this intent (Oates et al., 2001, 2003), the

general consensus was that this recognition increases with age (Carter et al., 2011; Donohue et al., 1980; John, 1999; Macklin, 1987; Oates et al., 2001, 2003; Robertson and Rossiter, 1974). Despite the fact that advertisement in a sponsorship context is more disguised than in television commercials, we still expect that the same results relating the positive influence of the child's age on the recognition of advertising's persuasive intent will be verified. In this way we predict that:

H4b: Older children will recognize better the persuasive intent of sponsorship activities than younger children.

Methodology

Legal and Ethical Issues

All legal requirements were satisfied by getting the proper consents from the Portuguese Education Authority, the schools where the research was conducted and the children's parents. Moreover, all ethical issues were also taken into account by following UNICEF's guidelines for children participating in research (UNICEF, 2002). The aim and content of the study was clearly explained and the child consent was assured. Furthermore confidentiality was guaranteed and all the privacy rights were respected.

Sample

As previously stated this study was conducted with children on Piaget's concrete operational stage, from 7 to 11 years old (Piaget and Inhelder, 1972). Despite the high prominence of events directed at younger children (Viva Agenda, 2012), this study did not consider children under this development stage due to their limited cognitive capacity to process advertising messages (John, 1999). In order to better understand the relation between the child's age and the effects of sponsorship, our sample included children from two age groups in this cognitive stage: the first consisted of children from the 3rd grade (7 and 8 years old) and the second included children from the 6th grade (10

and 11 years old). 559 consent forms were sent to children's parents of 7 public schools within the Lisbon district, resulting in 334 authorizations and a response rate of 59,75%.

Research Design

The chosen method for this study was structured questionnaires due to the fact that they are able to reach a high amount of respondents and also because they can present relatively low bias (Podsakoff et al., 2003). In order to reduce the social desirability effect, some techniques were incorporated into the questionnaires, namely by informing that there were no right or wrong answers and by guaranteeing the respondents' anonymity as a way to increase respondents' honesty (Podsakoff et al., 2003). In order to generate the stimuli for the final questionnaire, three Pretests were run to select an appropriate artist for the event and four brands. A child psychologist was also consulted in order to adapt the questions to the target's cognitive abilities.

Pretest 1 had three objectives. The first one was to select an event that had salient associations in the respondent's memories (Carrillat et al., 2005). In order to do this, children were asked to select their preferred singers from a list with some of the most famous current performers. By doing this we were able to assure that the chosen event was familiar to both target age groups, a necessary condition since subjects in the main study needed to have a prior image of the event for an image transference to occur to the sponsoring brand (Gwinner and Eaton, 1999). The second objective of this Pretest was to assess the level of involvement of the two product categories used in the main study. In order to better evaluate the effects of involvement in a sponsorship context, two product categories that usually represent different levels of involvement were selected. By analyzing past studies we were able to identify tennis shoes as a high involvement product (Achenreiner and John, 2003). Regarding the low involvement one we selected

a soft drink category by adapting the results found by Laurent and Kapferer (1985) to the type of event and target in study. To confirm this level of involvement we asked children in the Pretest if the choice of tennis shoes and soft drinks was very important to them with a 5-point Smiley Face scale from 1= Never true to 5=Always true (Laurent and Kapferer, 1985). Finally, the last objective of this Pretest was to select both a high and a low familiarity brand for each of the two product categories. To do this, children were asked to select the brands that were familiar to them from a list of well-known tennis shoes and soda brands (Achenreiner and John, 2003). In order to choose just one brand from the range of selected familiar brands, it was also asked for the respondents to state which of the brands they preferred. 16 children answered Pretest 1 and the results were *Selena Gomez* as the artist of the event, *Nike* and *New Balance* as the tennis shoes brands, with high and low familiarity respectively, and *Fanta* and *Sunkist* as the soda brands, with high and low familiarity respectively. The shoes revealed to have a higher involvement than the drinks, with means of 3.88 against 2.75 respectively.

Pretest 2's objective was to select the adjectives to be used in the main study to measure the transference of brand image. To do this a list of adjectives capable of describing both the event and the brands was used (Aaker, 1997; Gwinner and Eaton, 1999; Olson and Thjørmøe, 2011). From that list children were asked to choose the 4 adjectives that they considered being the most useful in describing the event, which were then used to evaluate the brands in the main study (Gwinner and Eaton, 1999). Moreover, in order to confirm the clarity and efficacy of the adjectives in association with the brands, children were asked to rate the two unfamiliar brands in the same adjectives in a 5-point Likert scale from 1=Not at all to 5=A lot, the same scale used in the main study. 7 children answered Pretest 2 and the adjectives selected were *Fun*, *Young*, *Nice* and *Cool*.

Finally, in Pretest 3, in order to test the reliability of the sponsorship, the fit between the event and each brand was tested. To do this, children were asked if it made sense that the brands were connected to this particular event, a question adapted from Simmons and Becker-Olsen (2006) and Olson and Thjømøe (2011) studies. The scale used was a 5-point Smiley face Likert scale from 1=Not at all to 5=A lot. Furthermore all the questions used in the final questionnaire were also tested in this Pretest in order to verify if they were comprehensible and effective for this target's age. Pretest 3 was answered by 13 children, resulting in a mean of 4.75 in the fit test between the brands and the concert, indicating that their connections were perceived as clearly suitable.

Procedure

In the main study participants were assigned to two groups, an Experimental group and a Control group. Moreover the first one was then divided in four different groups:

Table 1: Identification of the different Experimental Groups

Experimental Design	High involvement product – Tennis shoes	Low involvement product – Soft drinks
Familiar brand	Group 1 - Nike	Group 3 - Fanta
Non-familiar brand	Group 2 – New Balance	Group 4 - Sunkist

In order to reduce bias in the selection of the respondents for these groups, each class participating in the study was divided in four so that all four stimuli would be tested by a relatively homogenous sample. Moreover in the Control group's questionnaire where the four brands were tested together, the questions' order was counterbalanced in order to reduce bias in the results by guaranteeing that answers were not dependent on the order by which the brands were exhibited to children. The stimulus used in the main study was a musical event due to its entertainment factor that children could easily relate to. In this way a realistic colored ad of a concert starring the artist selected in Pretest 1, Selena Gomez, was created with the help of a specialist in event marketing. Four versions of this ad were created, each including the logo of one of the brands

selected in Pretest 1. All ads were identical except for the featuring sponsor's logo¹.

Figure 1: Sponsorship ad



Moreover the concert used was a fictitious event due to the unavailability of an appropriate concert for the target age in the location and duration of the study.

The procedure for the

Experimental group had two phases, first respondents saw the event ad with the respective sponsor's logo and then answered a questionnaire. In what concerns the Control group, only a questionnaire was conducted and no sponsorship ad was shown.

Measures

To decide on the appropriate scales to include in the children's questionnaires, previous studies that measured the same variables were considered. In order to better adapt them to fit the target's cognitive stage a child psychologist was consulted. In this way the following measures were used in the final questionnaires.

To measure children's ability to understand the source and persuasive intent of sponsorship advertisements, two questions were used. The first asked children in the Experimental group to identify the source of the brand logo on the event ad (a question adapted from Oates et al. (2003)) and the possible answers provided were five images with their respective written description, showing the concert's star Selena Gomez, the brand, a professor, the person involved in the study and the option 'Other'. The second question asked children what they thought the source of the logo on the sponsorship ad wanted them to do (Carter et al., 2011; Donohue et al., 1980; Macklin, 1987). The

¹All ads had the location and date of the concert (Pavilhão Atlântico, Lisbon, on Saturday, 15th December 2012, 8 p.m.) and a statement symbolizing the sponsorship ("With the support of [logo of the brand]").

answers provided were once again five images with their written description: “Go to the concert of Selena Gomez”; “Buy the brand’s tennis shoes/soda”; “Use/Drink the brand’s product”; “Pay more attention in class” and “Other”. It is important to notice that the correct answer would be to buy the brand’s shoes/soda denoting the buying intent and not to use/drink the brand’s product denoting the consumption intent, since, although the advertiser desires consumption, it is argued that, in order for the child to fully recognize the advertisement persuasive intent, he/she has to recognize the specific buying intent of the relationship (Macklin, 1987). Finally, both these questions had pictorial cues as possible answers instead of just verbal cues, due to the fact that past studies have found that nonverbal measures allow for a more accurate perception of children’s abilities than verbal measures (Donohue et al., 1980; Macklin, 1987).

To measure the transference of brand image from the event to the brand, participants were asked to rate the brand in five characteristics following a 5-point Smiley face Likert scale from 1=Not at all to 5=A lot (a scale adapted from Driesener and Romaniuk, 2006 and Pecheux and Derbaix, 1999). In order to test whether the exposure to the sponsorship ad had changed children’s image of the brand, we compared the average rank of responses between the Control and the Experimental group, with a higher score difference indicating a higher image transference. The first four adjectives used to rate each brand were, as stated before, *Fun*, *Young*, *Nice* and *Cool*. These adjectives were selected from Pretest 2, which identified them as being the most useful in describing this particular event (Gwinner and Eaton, 1999). Moreover a fifth adjective traditionally used in the evaluation of brand image and attitude toward the brand, Quality/Tasty, was also used (Dixon et al., 2007; Pecheux and Derbaix, 1999). Additionally, to measure purchase intentions, children were asked if they would like to

buy or ask their parents to buy the brand's product (Phelps and Hoy, 1996). Possible answers to the question were given by a Smiley face Likert scale from 1=Do not like at all to 5=Love to. Once again by comparing the average rank of responses on this scale between the Control and the Experimental group we were able to evaluate the effect of the exposure to a sponsorship advertisement on children's purchase intentions.

Finally, to control for biased responses, all Experimental group questionnaires evaluated the reliability of the sponsorship by answering the same question used in Pretest 3.

Results

The experiment was conducted in seven public schools with 334 children, equally distributed per gender (56.6% females), per grade (52.7% 3rd graders) and per stimuli (20.4% for the Control group and 19.8%, 20.1%, 19.8% and 20.1% for the Experimental groups 1, 2, 3 and 4 respectively). The analysis was conducted in SPSS 20.0. All stimulus were found adequate with a mean of 3.74 in the fit test between the brands and the concert (Appendix XVI), indicating that the connections were perceived as suitable. Our brand image scale composed of 5 adjectives was reliable with an alpha of 0.873. We computed the brand image variable by averaging the 5 adjectives. Our analysis was then conducted for this variable as well as for the individual adjectives.

Brand Image Transference and Purchase Intention

Before analyzing our hypothesis we evaluated the effect of sponsorship on brand image and purchase intention in general by conducting *t*-tests on the means' difference between the Experimental and Control groups. The results showed that there was a significant effect on both brand image and purchase intention when the brand was associated with an event. Regarding brand image, there was a significant difference between the two groups on the overall brand image ($\bar{x}_{ex}=4.0887$; $\bar{x}_c=3.9221$; $p=0.017$),

and on the adjectives *Young* and *Quality/Tasty* [$\bar{x}_{ex}=3.88$, $\bar{x}_c=3.65$, $p=0.008$), quality/tasty ($\bar{x}_{ex}=4.29$, $\bar{x}_c=4.05$, $p=0.005$]. Regarding purchase intentions, we also observed a significant difference between both groups ($\bar{x}_{ex}=3.92$, $\bar{x}_c=3.71$, $p=0.027$).

Brand Familiarity

Regarding Brand Familiarity we expected the brand image transference (H1a) and the purchase intention (H1b) resulting from sponsorship to be higher when the sponsor was a less familiar brand. Table 2 presents the means of all the individual groups considered.

Table 2: Brand image and Purchase intention averages by group for each brand

Group Type	Fun	Young	Nice	Cool	Quality/ Tasty	Overall Brand Image	Purchase intention
Nike	4,12	4,02	4,39	4,18	4,45	4,2333	4,03
Control Nike	4,32	3,94	4,54	4,43	4,46	4,3382	4,29
New Balance	3,97	3,82	4,12	4,06	4,31	4,0657	3,93
Control New Balance	3,60	3,22	3,68	3,66	3,82	3,6000	3,46
Fanta	4,06	3,85	4,02	4,23	4,21	4,0727	3,97
Control Fanta	4,15	3,78	4,15	4,21	4,29	4,1147	3,82
Sunkist	3,82	3,82	3,97	4,07	4,19	3,9851	3,76
Control Sunkist	3,54	3,65	3,63	3,68	3,63	3,6353	3,25

Note: The values in bold represent the means in which the difference between the Experimental and the Control group was statistically significant.

As we can see in the table, only the two non-familiar brands (New Balance and Sunkist) present significant differences between their Experimental and Control groups. Thus, in the case of New Balance, the difference was significant on overall brand image ($p=0.001$), on all the adjectives [fun ($p=0.042$), young ($p=0.002$), nice ($p=0.008$), cool ($p=0.027$), quality/tasty ($p=0.003$)], and on purchase intentions ($p=0.014$). In Sunkist, the difference was significant for the overall brand image ($p=0.019$) but not for all adjectives [fun ($p=0.170$), young ($p=0.284$), nice ($p=0.074$), cool ($p=0.023$), quality/tasty ($p=0.002$)], and was also for the purchase intention ($p=0.016$). For the two familiar brands, Nike and Fanta, all the differences were found to be non-significant and in some cases the means of the Control group were higher than the Experimental group (but not significant). We also grouped together both familiar and non-familiar brands and analyzed the differences in means (Appendix XXVII and XXIX). The results

showed again these differences to be significant only for the non-familiar group and even some inconsistencies in the familiar group (higher means for the Control group). Thus, for the non-familiar group, the means' difference was significant for the overall brand image ($4.0254 > 3.6176$, $p=0.000$) and for the purchase intention ($3.84 > 3.35$, $p=0.001$), while for the familiar group there was not any significant differences (overall brand image $p=0.404$, purchase intention $p=0.641$). These results confirm our expectation that when the sponsor is a less familiar brand the brand image transference will be higher and the purchase intentions will be more affected, thus supporting our hypotheses H1a and H1b. In fact our results even show that for the familiar brands there is not any brand image transference and no impact on the purchase intentions.

Product Involvement

In order to evaluate the influence of the level of involvement of the sponsor's product type on the transference of brand image and purchase intention, independent *t*-tests were used. As we have already presented the results for the individual brands, we are only indicating on this section the results considering the high involvement group, consisting of the tennis shoes' brands Nike and New Balance, and the low involvement group, consisting of the soft drinks' brands Fanta and Sunkist, and the computed difference in means with each respective Control group. The results showed a higher or equal mean difference between the high involvement group and its respective Control group in all items except for the purchase intention and the adjective *Cool* than for the low involvement group and its Control group (Appendix XXXI and XXXIII) The *t*-tests showed that those differences were significant only for the adjectives *Young* and *Quality/Tasty* in the high involvement group [fun ($p=0.507$), young ($p=0.009$), nice ($p=0.183$), cool ($p=0.521$), quality/tasty ($p=0.021$), overall brand image ($p=0.055$) and

purchase intention ($p=0.426$)] and only for the purchase intention in the low involvement group [fun ($p=0.486$), young ($p=0.297$), nice ($p=0.431$), cool ($p=0.079$), quality/tasty ($p=0.077$), overall brand image ($p=0.139$) and purchase intention ($p=0.024$)]. These results support our hypothesis H2b that the purchase intention will be more affected when the sponsor is a low involvement product but lead to the rejection of hypothesis H2a since there was, contrary to expected, a significant transference on two adjectives when the sponsor was a high rather than a low involvement product.

Age

Regarding hypothesis H3a and H3b it was expected that age would have a negative impact on the transference of brand image and purchase intentions. In order to evaluate this, *t*-tests were used to analyze the means' difference between the Experimental and the Control group for each grade. The results showed a higher mean difference between both groups in the 6th grade in all items (means for Experimental and Control group respectively: 3.93>3.50 for fun, 3.83>3.56 for young, 4.05>3.71 for nice, 4.08>3.64 for cool, 4.34>3.83 for quality/tasty, 4.0562>3.6533 for overall brand image and 3.82>3.44 for purchase intention) than in the 3rd grade (means for Experimental and Control group respectively: 4.05<4.22 for fun, 3.92>3.72 for young, 4.19<4.23 for nice, 4.19<4.27 for cool, 4.25>4.22 for quality/tasty, 4.1188<4.1342 for overall brand image and 4.01>3.91 for purchase intention). *T*-tests were performed and results revealed significant differences between groups in all items for 6th graders [fun ($p=0.003$), young ($p=0.038$), nice ($p=0.009$), cool ($p=0.001$), quality/tasty ($p=0.000$), overall brand image ($p=0.000$) and purchase intention ($p=0.010$)] whereas for 3rd graders all items were non-significant [fun ($p=0.126$), young ($p=0.087$), nice ($p=0.704$), cool ($p=0.462$), quality/tasty ($p=0.843$), overall brand image ($p=0.862$) and purchase intention ($p=0.432$)]. Therefore

these results lead to the rejection of both hypotheses H3a and H3b. However, when we compared only the means from the Experimental group we could verify that they were higher in the 3rd grade in all items with the exception of the adjective *Quality/Tasty* (Appendix XXXVII). Moreover by conducting a chi-square test on these differences we were able to identify an association between age and the adjectives *Young* and *Cool*, the overall brand image and the purchase intention [young ($p=0.028$), cool ($p=0.001$), overall brand image ($p=0.036$) and purchase intention ($p=0.028$)].

Understanding of sponsorship source and persuasive intent

In relation to hypotheses H4a and H4b it was predicted that age would have a positive impact on both the recognition of the brand as the sponsorship source and its persuasive intent. The analysis of the descriptive statistics for all children revealed that the majority of children (65.8%) perceive the presence of a brand in a sponsorship context, but only a small number is able to recognize its persuasive intent, with only 12.4% of the children correctly identifying the buying intent of the sponsorship. To test for the existence of a systematic association between age and understanding, we conducted a chi-square test and an independent *t*-test. Results showed that while there was no association between age and the correct identification of the sponsorship source ($\chi^2=3.084$, $p=0.079$; $t=1.765$, $p=0.079$), there was an association concerning the recognition of its persuasive intent ($\chi^2=11.527$, $p=0.001$; $t=3.395$, $p=0.001$). Thus, these results lead to the rejection of hypothesis H4a and to the support of hypothesis H4b.

Discussion and Implications

The aim of this study was to determine children's capability to identify the source and persuasive intent of sponsorship activities. Moreover this study also aimed to explore how children reacted to advertising in a sponsorship context and whether such stimuli

could influence their perceptions of the sponsor's brand. Our results suggest that this type of marketing strategy is an effective communication mean for companies targeting children in this age range, since it does in fact influence both children's purchase intentions as well as their overall image of the brand. Moreover the particular adjectives that showed a significant transference were the *Young* and the *Quality/Tasty*, showing that besides enhancing the perception of the functional benefits of the product itself (Quality/Tasty), sponsorship could also make the image of the brand look more youthful (Young) just by sponsoring a young celebrity, making it more attractive to children. With this in mind new programs in Media Literacy should be developed in order to better educate children in this age range and reduce the potential dangers of this type of marketing strategy. Furthermore, legislators should also be aware of this effect since if it is not correctly regulated it could be used in favor of unhealthy products like violent games, fast-food or other sugar and energy-dense products that could ultimately hinder the child's well being and even influence their habits and choices through adulthood.

Brand Familiarity

After analyzing the results obtained for hypotheses H1a and H1b we can conclude that the familiarity of the sponsor's brand has a very important influence in the amount of brand image transference and impact on purchase intentions that may result from sponsorship activities. In fact, as we have seen previously, the image transference did not occur on the familiar brands present in the study, Nike and Fanta, whereas on the other hand it happened on the two unfamiliar brands, New Balance and Sunkist. This could be due to the fact that, as expected, the consumer's schema for familiar brands is already strongly developed and in this way their cognitive structures for these brands are more rigid and will be less influenced by new information that would result from a

sponsorship association. On the other hand, the opposite is verified with unfamiliar brands, indicating that a strategy like sponsorship would be very beneficial in improving both the image and the purchase intentions of less relevant brands and could even consist on a successful strategy for new brands entering the market for the first time.

Product involvement

In what concerns the influence of the level of involvement of the sponsor's product, the results obtained supported our hypothesis H2b since the presence of the sponsorship ad only impacted the purchase intentions of the low involvement products, the soft drinks, but rejected our hypothesis H2a due to the fact that the same ad only had an influence on two items of the brand image on the high involvement products, the tennis shoes. From these conclusions we can infer that this type of marketing strategy can produce distinct outcomes depending on the type of product that is being advertised and, because of that, companies that are planning to invest in this kind of promotional technique should carefully consider if this is really the ideal strategy concerning their intended objectives. On one hand for low involvement products, like food or beverages, a technique like sponsorship would be ideal if the intended result is a more short-term boost on the purchase intentions. On the other hand if the product in question is a high involvement product, like clothes or technological devices, a sponsorship strategy would show more long-term results by contributing to an improvement in the overall image of the brand. Taking into account that in this study the adjectives that showed a significant difference from the Control group on the high involvement products were the *Young* and the *Quality/Tasty*, we can predict that the decision of incurring on a strategy like sponsorship would be beneficial since it would, on one side, convey an improved image of the functional benefits of the product itself, but at the same time it

would allow the brand to reach a broader audience, since the image of the age of the brand would be modified in the eyes of the consumer to match the age of the celebrity endorser of the event that the brand is associated to. In this way companies marketing a high involvement product traditionally destined to an older public could be able to reach a younger audience by associating the product with an event starring a younger personality. It is also important for marketers to be aware of this effect in order to protect children and not take advantage of it to promote products that could harm them.

Age

Regarding the influence of age on the sponsorship's impact, the results obtained lead to the rejection of hypotheses H3a and H3b and to a contrary conclusion, due to the fact that we only observed an impact on the brand image and purchase intention on the 6th graders and not on the 3rd graders as it was expected. This outcome can be explained by the tendency of younger children to evaluate scales with higher scores, even on the Control group, which could have biased the results. In fact when we compared only the means obtained in the Experimental group we could verify that they were higher in the 3rd grade in all items except the *Quality/Tasty*, with an association with age identified for the adjectives *Young* and *Cool*, the overall brand image and the purchase intention. Following this, although there is not sufficient evidence to support hypotheses H3a and H3b we cannot conclude that sponsorship does not have any influence in younger children. In this way further investigation should be conducted in this age group in order to propose the most appropriate developments in regulation and educational programs. However if these results prove to be true and sponsorship only has an influence in older children, then both marketers and legislators should be aware of this effect in order to protect children of this age. This is particularly important since children are considered

adults in terms of advertising at the age of 12 years old and therefore all restrictions that have been introduced only target children below this age and not above (John, 1999).

Understanding of sponsorship source and persuasive intent

Regarding the understanding of the commercial content of sponsorship, the results indicated that the majority of children, 65.8%, were able to identify the brand as the correct source of the sponsorship activity. However, there was not sufficient evidence to support H4a, since the results did not show any association between age and the ability to notice the presence of a commercial entity in the event ad. In fact, although there was a higher percentage of older children that correctly identified the source (71.1% 6th graders against 60.9% 3rd graders), this difference was not considerable enough to denote a significant impact. In what concerns the recognition of the persuasive intent, the results supported our hypothesis H4b, since they demonstrated that age had a positive impact on the recognition of the correct intent of sponsorship (Appendix LXI). Despite the increase with age, the general percentage was still very low, with only 12.4% of children in the sample correctly identifying the sponsorship intent. A possible explanation for this result could be the fact that, while children may use perceptual cues to identify television advertising (Oates et al., 2001), the type of advertisement present in a sponsorship context is a much more subtle and disguised one, which could make children's use of these perceptual cues to identify the correct intent of sponsorship more complicated. Moreover, although a higher percentage selected the option that denoted the consumption intent of the sponsorship, 13.9%, the great majority of children in the sample, 66.5%, selected the option 'go to the concert' as the correct answer, revealing their belief that the companies' objective for incurring in a sponsorship strategy was to financially support the event, which is consistent with findings from previous studies

(Kelly et al., 2011) where sponsorship was regarded as a charitable association. These results imply that children in this age range still have a naïve and altruistic view of sponsorship which may lead them to increase their purchase intentions in order to ‘return the favor to sponsors’ (Kelly et al., 2011: 4). Taking this into consideration new educational programs in Media Literacy should be developed in order to better educate children on the true nature and intent of sponsorship. Moreover, these findings should also be taken into account in the developments of legislation and auto-regulation conducts in order to protect children’s vulnerabilities concerning sponsorship messages.

Limitations and Future Research

The main limitation of this study was the fact that this research assessed only children’s perceptions without actually experiencing the real event due to the unavailability of an appropriate concert for the target age in the location and duration of the study. In this way further research might consider using a stimulus for a real concert, in order to measure if the same results would be verified after children experience the actual event. Moreover this study was conducted with children on the concrete operational stage, from 7 to 11 years old. However, since it was verified that, on one hand the majority of the youngest children already understood the commercial content of sponsorship but on the other hand there was a prominent lack of the recognition of its persuasive intent even by the older children, further investigation with children from different cognitive development stages may arise interesting conclusions. Finally, this research only assessed the effects resulting from a stimulus of one particular type of event, a concert. Further investigation comparing the effects of ads for different events, like sports or exhibitions, may be interesting in order to evaluate the possible influence of attitude towards the event in children’s perceptions towards the advertised brand.

References

- Aaker, J.** 1997. "Dimensions of Brand Personality". *Journal of Marketing Research*, 34: 347-356.
- Achenreiner, G., and D. John.** 2003. "The Meaning of Brand Names to Children: A Developmental Investigation". *Journal of Consumer Psychology*, 13(3): 205-219.
- Alba, J., and J. Hutchinson.** 1987. "Dimensions of consumer expertise". *Journal of Consumer Research*, 13(4): 411-454.
- Butter, E., P. Popovich, R. Stackhouse, and R. Garner.** 1981. "Discrimination of Television Programs and Commercials by Preschool Children". *Journal of Advertising Research*, 21(2): 53-56.
- Carrillat, F., B. Lafferty, and E. Harris.** 2005. "Investigating sponsorship effectiveness: do less familiar brands have an advantage over more familiar brands in single and multiple sponsorship arrangements?". *Journal of Brand Management*, 13(1): 50-64.
- Carter, O., L. Patterson, R. Donovan, M. Ewing, and C. Roberts.** 2011. "Children's understanding of the selling versus persuasive intent of junk food advertising: Implications for regulation". *Social Science & Medicine*, 72: 962-968.
- Cornwell, T., and I. Maignan.** 1998. "An International Review of Sponsorship Research". *Journal of Advertising*, 27(1): 1-21.
- Crocker, J., S. Fiske, and S. Taylor.** 1984. "Schematic Bases of Belief Change". In *Attitudinal Judgment*, ed. J. Richard Eiser, 197-226. New York: Springer-Verlag.
- Gwinner, K. and J. Eaton.** 1999. "Building Brand Image Through Event Sponsorship: The Role of Image Transfer", *Journal of Advertising*, 28(4): 47-58.
- Dixon, H., M. Scully, M. Wakefield, V. White, and D. Crawford.** 2007. "The effects of television advertisements for junk food versus nutritious food on children's food attitudes and preferences". *Social Science & Medicine*, 65: 1311-1323.
- Dolphin, R. R.** 2003. "Sponsorship: perspectives on its strategic role". *Corporate Communications: An International Journal*, 8(3): 173-186.
- Donohue, T., L. Henke, and W. Donohue.** 1980. "Do Kids Know What TV Commercials Intend?". *Journal of Advertising Research*, 20(5): 51-57.
- Drengner, J., S. Jahn, and C. Zanger.** 2011. "Measuring event-brand congruence". *Event Management*, 15: 25-36.
- Driesener, C. and J. Romaniuk.** 2006. "Comparing methods of brand image measurement". *International Journal of Market Research*, 48(6): 681-698.
- Goldsmith, R., B. Lafferty, and S. Newell.** 2000. "The Impact of Corporate Credibility and Celebrity Credibility on Consumer Reaction to Advertisements and Brands". *Journal of Advertising*, 29(3): 43-54.
- Gwinner, K.** 1997. "A model of image creation and image transfer in event sponsorship", *International Marketing Review*, 14(3): 145-158.
- Gwinner, K. and J. Eaton.** 1999. "Building Brand Image Through Event Sponsorship: The Role of Image Transfer", *Journal of Advertising*, 28(4): 47-58.
- Hackley, C. and R. Tiwsakul.** 2006. "Entertainment Marketing and Experiential Consumption". *Journal of Marketing Communications*, 12(1): 63-75.

- Hastings, G., L. McDermott, K. Angus, M. Stead, and S. Thomson.** 2006. "The extent, nature and effects of food promotion to children: a review of the evidence". *World Health Organization*, 1-189.
- International Events Group (IEG).** 2012. Economic Uncertainty To Slow Sponsorship Growth In 2012. <http://www.sponsorship.com/About-IEG/Press-Room/Economic-Uncertainty-To-Slow-Sponsorship-Growth-In.aspx> (accessed September 23, 2012).
- John, D. R.** 1999. "Consumer Socialization of Children: A Retrospective Look at Twenty-Five years of Research". *Journal of Consumer Research*, 26(3): 183-213.
- Keller, K. L.** 1993. "Conceptualizing, measuring, and managing customer-based brand equity". *Journal of Marketing*, 57: 1-22.
- Kelly, B., L. Baur, A. Bauman, L. King, K. Chapman, and B. Smith.** 2011. "Building solutions to protect children from unhealthy food and drink sport sponsorship". *Cancer Council NSW and Prevention Research Collaboration: Sydney*, 1-17.
- Kelly, B., L. Baur, A. Bauman, L. King, K. Chapman, and B. Smith.** 2011. "Food company sponsors are kind, generous and cool: (Mis)conceptions of junior sports players". *International Journal of Behavioral Nutrition and Physical Activity*, 8(95):1-7.
- Kover, A. J.** 2001. "The sponsorship issue". *Journal of Advertising Research*, 5.
- Laurent, G., and J. Kapferer.** 1985. "Measuring Consumer Involvement Profiles". *Journal of Marketing Research*, 22: 41-53.
- Levin, S., T. Petros, and F. Petrella.** 1982. "Preschoolers' Awareness of Television Advertising". *Child Development*, 53: 933-937.
- Lord, C., L. Ross, and M. Lepper.** 1979. "Biased Assimilation and Attitude Polarization: The Effects of Prior Theories on Subsequently Considered Evidence". *Journal of Personality and Social Psychology*, 37: 2098-2109.
- Macklin, M.** 1987. "Preschoolers' Understanding of the Informational Function of Television Advertising". *Journal of Consumer Research*, 14: 229-239.
- Meenaghan, J. A.** 1983. "Commercial Sponsorship". *European Journal of Marketing*, 7(7): 5-73.
- Moses, L., and D. Baldwin.** 2005. "What Can the Study of Cognitive Development Reveal About Children's Ability to Appreciate and Cope with Advertising?". *Journal of Public Policy and Marketing*, 24(2): 186-201.
- Musante, M.** 2006. "Sport sponsorship as an image development opportunity for new brands". *Innovative Marketing*, 2(4): 83-91.
- Oates, C., M. Blades, and B. Gunter.** 2001. "Children and television advertising: When do they understand persuasive intent?". *Journal of Consumer Behaviour*, 1(3): 238-245.
- Oates, C., M. Blades, B. Gunter, and J. Don.** 2003. "Children's understanding of television advertising: a qualitative approach". *Journal of Marketing Communications*, 9: 59-71.
- Olson, E., and H. Thjømøe.** 2011. "Explaining and Articulating the Fit Construct in Sponsorship". *Journal of Advertising*, 40(1): 57-70.

- Pecheux, C., and C. Derbaix.** 1999. "Children and Attitude toward the Brand: A New Measurement Scale". *Journal of Advertising Research*, 19-27.
- Pentecost, R., and M. Spence.** 2009. "Spill-over Effects in Multi-sponsored events: Theoretical Insights and Empirical Evidence". *World Journal of Management*, 1-25.
- Petty, R., J. Cacioppo, and D. Schumann.** 1983. "Central and Peripheral Routes to Advertising Effectiveness: The Moderating Role of Involvement". *Journal of Consumer Research*, 10: 135-146.
- Phelps, J. and M. Hoy.** 1996. "The Aad-Ab-PI Relationship in Children: The Impact of Brand Familiarity and Measurement Timing". *Psychology & Marketing*, 13(1): 77-105.
- Piaget, J., and B. Inhelder.** 1972. *The Psychology of the Child*. Basic Books.
- Podsakoff, P., S. MacKenzie, and J. Lee.** 2003. "Common Method Biases in Behavioural Research: A Critical Review of the Literature and Recommended Remedies". *Journal of Applied Psychology*, 88(5): 879-903.
- Pope, N., K. Voges, and M. Brown.** 2009. "Winning Ways". *Journal of Advertising*, 38(2): 5-20.
- Robertson, T., and J. Rossiter.** 1974. "Children and Commercial Persuasion: An Attribution Theory Analysis". *Journal of Consumer Research*, 1: 13-20.
- Roedder, D. L.** 1981. "Age Differences in Children's Responses to Television Advertising: An Information-Processing Approach". *Journal of Consumer Research*, 8(2): 144-153.
- Rowley, J., and C. Williams.** 2008. "The impact of brand sponsorship of music festivals". *Marketing Intelligence & Planning*, 26(7): 781-792.
- Simmons, C., and K. Becker-Olsen.** 2006. "Achieving Marketing Objectives Through Social Sponsorships". *Journal of Marketing*, 70: 154-169.
- Smith, G.** 2004. "Brand Image Transfer Through Sponsorship: A Consumer Learning Perspective". *Journal of Marketing Management*, 20: 457-474.
- Solomon, M., G. Bamossy, S. Askegaard, and M. Hogg.** 2006. *Consumer Behaviour A European Perspective*. England: Pearson Education Limited.
- Stephens, N., and M. Stutts.** 1982. "Preschoolers' Ability to Distinguish between Television Programming and Commercials". *Journal of Advertising*, 11(2): 16-26.
- UNICEF Evaluation Office.** 2002. *Children Participating in Research, Monitoring and Evaluation (M&E) – Ethics and Your Responsibilities as a Manager*. Evaluation Technical Notes, N° 1, 1-11. New York: UNICEF.
- Valkenburg, P., and J. Cantor.** 2001. "The development of a child into a consumer". *Applied developmental psychology*, 22: 61-72.
- Viva Agenda.** 2012. Viva Agenda – Guia Eventos em Portugal. <http://www.viva-agenda.com> (accessed October 13, 2012).
- Ward, S., D. Wackman, and E. Wartella.** 1977. *How Children Learn to Buy*. Beverly Hills: Sage Publications.
- Young, B.** 1990. *Children and Television Advertising*. Oxford: Clarendon Press, in
- Oates, C. et al.** 2001. "Children and television advertising: When do they understand persuasive intent?", *Journal of Consumer Behaviour*, 1(3): 238-245.